GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3898
ANSWERED ON:09.08.2016
Improvement in PDS
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether recent surveys/studies by various bodies/organisations/media companies have pointed out irregularities in the Public Distribution System (PDS) in several States including beneficiary
inclusion/exclusion errors, anomalies in number of cards and approved beneficiaries and if so, the details thereof along with the existing monitoring mechanism to check such irregularities, State-wise;
(b) whether some short term and long term measures have been recommended to improve the PDS and if so, the details thereof and the reaction of the Government thereto along with the action plan formulated for implementation of the said measures;
(c) whether the Government has issued any direction/advice to the States to strengthen PDS and ensure supply of foodgrains to poor people and if so, the details thereof along with the reaction of the States Governments thereto, State-wise;
(d) whether the Government is implementing any scheme for computerization and linkage of PDS with Aadhaar and involvement of private players in supply chain management and if so, the details and the present status thereof, State-wise; and
(e) the other measures taken by the Government to ensure that all the poor and needy/deserving families are covered under PDS and non-eligible families are excluded from the list of beneficiaries?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a): This Department has been getting the functioning of Targeted Public Distribution (TPDS) evaluated by different agencies from time to time. Recently, an evaluation study of the functioning of TPDS has been got conducted through National Council of Applied Economic Research (NCAER) in respect of 6 States namely Assam, Bihar, Chhattisgarh, Karnataka, Uttar Pradesh and West Bengal. The evaluation study has revealed certain shortcomings/deficiencies in the functioning of TPDS such as inclusion/exclusion errors and leakages/ diversion of foodgrains, details of which are at Annex-I & II. The report received has been sent to the States concerned for taking necessary remedial measures to remove the deficiencies noticed in the functioning of TPDS.
In terms of the Public Distribution System (Control) Order, 2001, State/UT Governments are to review the lists of BPL and AAY families every year for the purpose of deletion of ineligible families and inclusion of eligible families. Similarly as per Clause 4 of the TPDS (Control) Order, 2015 State/UT Government shall make all endeavours to eliminate bogus or ineligible ration cards as a continuous exercise. The exercise of deletion of bogus/ineligible cards and inclusion of eligible families is a continuous process and State Governments are to periodically carry out the same. (b) & (c): Strengthening and streamlining of Targeted Public Distribution System (TPDS) is a continuous endeavour. To improve functioning of TPDS and effective implementation of it, Government has been regularly issuing advisories and holding meetings, conferences, etc. wherein State/UT Governments are requested for review of list of beneficiaries, improving the offtake of allocated foodgrains, ensuring timely availability of foodgrains at Fair Price Shops (FPSs), greater transparency in functioning of TPDS, improved monitoring and vigilance at various levels, improving the viability of FPS operations, etc. The National Food Security Act (NFSA), 2013 also contains measures for reforms in TPDS, to be under taken progressively by the Central and State/UT Governments. These reforms include cash transfer, door-step delivery of foodgrains at the FPS, application of information and communication technology tools including end to end computerization preference to public institutions/bodies in licensing of FPS,etc.
...3/-
....3...
(d) & (e): With a view to reform and modernize the Targeted Public Distribution System (TPDS), Government has initiated a plan scheme on 'End-to-end Computerization of TPDS Operations during 12th Five Year Plan (2012-17) on cost sharing basis with the States/UTs. The Costs are being shared on 90:10 basis with North Eastern States and on 50:50 basis with other States/UTs. This scheme comprises activities, namely, digitization of ration cards/beneficiary and other databases, computerization of supply-chain management, setting up of transparency portals and grievances redressal mechanism. Further, guidelines for Fair Price Shop (FPS) automation have been sent to All States/UTs on 11.11.2014. FPS automation involves, installation of Point of Sale (PoS) devises at FPS for biometric authentication of beneficiaries, recording of sales to beneficiaries at the FPS, and uploading of transaction data in central server.
The activity-wise progress in States/UTs as on 26.07.2016 is at Annex-III.
In order to identify and weed-out duplicate / ineligible beneficiaries from the TPDS, and to enable better targeting of food subsidies − Government is undertaking Seeding of Aadhaar number in ration cards / beneficiaries database in all the States and Union Territories.
For checking of leakages and diversions of foodgrains, Government is pursuing with all States and UTs to opt for Direct Cash Transfers of food subsidy (i.e. DBT for foodgrains) to eligible beneficiaries.
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Annex I
ANNEX REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA UNSTARRED QUESTION NO.3898 DUE FOR ANSWER

ON 9.08.2016
Inclusion/Exclusion errors indicated in NCAER Report:
(Study awarded − March,2014)
(Report submitted- September,2015)
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Sl. No.	State	Inclusion Error (in %)	Exclusion Error (in %)
1.	Assam	28.49	70.84
2.	Bihar	18.38	30.45
3.	Chhattisgarh	22.09	1.93
4.	Karnataka	31.24	16.02
5.	Uttar Pradesh	22.16	63.12
6.	West Bengal	46.6	29.77

Annex II
ANNEX REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA UNSTARRED QUESTION NO.3898 DUE FOR ANSWER ON 9.08.2016
Figures of leakages/diversion of foodgrains (rice & wheat) indicated in NCAER report.
(Study awarded − March,2014)
(Report submitted- September,2015)
NFSA states

S. No.	State	Leakage (in%)
1.	Bihar	16.28
2.	Chhattisgarh	6.95
3.	Karnataka	17.34

Non- NFSA states

S.No.	State	Card category	Leakage (in %)
1.	Assam	APL	70.68
		BPL	36.76
		AAY	12.13
2.	Uttar Pradesh	APL	35.29
		BPL	32.87

AAY
5.13
3.
West Bengal
APL
38.75
BPL
28.19
AAY
10.59
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Annex-III
ANNEX REFERRED TO IN REPLY TO PARTS (d) & (e) OF THE LOK SABHA UNSTARRED QUESTION NO.3898 DUE FOR ANSWER ON 9.08.2016
Status of End-to-End Computerization of TPDS Operations
(as on 26.07.2016)
Sl.
States/UTs
Digitization of Ration Cards
Aadhaar Seeding in RCs
Online Allocation of Foodgrains
Computerization of Supply-chain Management
Transparency Portal
Online Grievance Redressal
Toll Free Helpline Numbers
Operational ePoS
1
Andaman & Nicobar
100%
33%
S.Andaman
-
Yes
Yes
Yes
3
2
Andhra Pradesh
100%
100%
Implemented
Implemented
Yes
Yes
Yes
28,942
3
Arunachal Pradesh
100%
1.57%
-
-
Yes
-
Yes
0
4
Assam
100%
-
Implemented
-
Yes
Yes
Yes
0
5
Bihar
100%
0.06%
Implemented

Implemented
Yes
Yes
Yes
0
6
Chandigarh
100%
95%
NA
NA
Yes
Yes
Yes
DBT (Cash)
7
Chhattisgarh
100%
100%
Implemented
Implemented
Yes
Yes
Yes
11,828
8
Dadra & Nagar Haveli
100%
78%
-
-
Yes
Yes
Yes
9
Daman & Diu
100%
90%
Implemented
Partial
Yes
Yes
Yes
51
10
Delhi
100%
100%
Implemented
Implemented
Yes
Yes
Yes
34
11
Goa
100%
95%
Implemented
Implemented
Yes
Yes
Yes
0
12
Gujarat
100%
77%
Implemented
Implemented
Yes

Yes
Yes
17,000
13
Haryana
100%
88%
Implemented
-
Yes
Yes
Yes
20
14
Himachal Pradesh
100%
95%
-
Implemented
Yes
Yes
Yes
0
15
Jammu and Kashmir
100%
62%
Up to TSOs
-
Yes
-
Yes
0
16
Jharkhand
100%
92%
Implemented
Implemented
Yes
Yes
Yes
2,198
17
Karnataka
100%
92%
Implemented
Implemented
Yes
-
Yes
3,877
18
Kerala
100%
95%
-
-
Yes
Yes
Yes
0
19
Lakshadweep
100%
97%
-
NA
Yes
Yes

Yes
0
20
Madhya Pradesh
100%
70%
Implemented
Implemented
Yes
Yes
Yes
22,401
21
Maharashtra
100%
87%
Implemented
-
Yes
Yes
Yes
93
22
Manipur
100%
0.37%
Partial
-
Yes
Yes
Yes
0
23
Meghalaya
100%
-
-
-
Yes
Yes
Yes
0
24
Mizoram
100%
0.39%
-
-
Yes
Yes
Yes
0
25
Nagaland
100%
0.41%
-
-
Yes
Yes
Yes
0
26
Odisha
100%
68%
Implemented
Implemented
Yes
Yes
Yes

32
27
Puducherry
100%
95%
NA
NA
Yes
Yes
Yes
DBT (Cash)
28
Punjab
100%
95%
Implemented
-
Yes
Yes
-
0
29
Rajasthan
100%
100%
-
-
Yes
Yes
Yes
24,647
30
Sikkim
100%
68%
Implemented
-
Yes
Yes
Yes
20
31
Tamil Nadu
100%
18%
Implemented
Implemented
Yes
Yes
Yes
12,297
32
Telangana
100%
100%
Implemented
Implemented
Yes
Yes
Yes
1,622
33
Tripura
100%
91%
Implemented
Implemented
Yes
-
Yes
25

34
Uttar Pradesh
100%
47.89%
Implemented
-
Yes
Yes
Yes
6
35
Uttarakhand
100%
66%
Implemented
-
Yes
Yes
Yes
8
36
West Bengal
100%
57%
Implemented
Implemented
Yes
Yes
Yes
0
100%
60.13%
25*
15
36
32
35
1,25,104
* States/UTs with partially implementation of Online Allocation (A&N, J&K, and Manipur) are also counted in summary
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